

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Southern California Edison Company (U 338-E) For Authority to Increase Its Authorized Revenues For Electric Service In 2018, Among Other Things, And To Reflect That Increase In Rates.

A1609001

(Filed September 1, 2016)

PREHEARING CONFERENCE STATEMENT OF WALD STREET L.L.C, AKM CONSULTING ENGINEERS, INC., 38 TESLA, LLC, TESLA BUSINESS CENTER OWNERS ASSOCIATION, INC, SPYGLASS TESLA, LLC, DAVID VOO AND MARY VOO, AS TRUSTEES OF THE VOO TRUST, DATED JULY 9, 1992, KEZY LLC and BETMAR, LLC

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TESLA, LLC; DAVID VOO AND MARY
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TRUST, DATED JULY 9, 1992, and
BETMAR, LLC
18 October 2016

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DATED JULY 9, 1992, KEZY, LLC AND BETMAR, LLC**

I. INTRODUCTION

This prehearing conference (PHC) statement is filed for WALD STREET L.L.C, AKM CONSULTING ENGINEERS, INC., 38 TESLA, LLC, TESLA BUSINESS CENTER OWNERS ASSOCIATION, INC, SPYGLASS TESLA, LLC, DAVID VOO AND MARY VOO, AS TRUSTEES OF THE VOO TRUST, DATED JULY 9, 1992, and BETMAR, LLC.¹ Each are Southern California Edison (SCE) business customers in Irvine, California (collectively the “Concerned Irvine Business Coalition” or “CIBC”).

¹ Betmar, LLC, and Kezy, LLC, ratepayer businesses in the Irvine area and neighbors to the protestors here, are filing concurrently a motion to be added as parties to this proceeding as a parties whose interests are similar to those in this proceeding.

SCE's Application seeks authorization for a \$313 million, or 5.5%, revenue increase over currently authorized base rates. The concerned business owners are reviewing the Application and other materials related thereto and intend to participate in the upcoming public workshops.

Pursuant to Rule 7.2 of the Commission's Rules of Practice and Procedures ("Commission Rules") and the Administrative Law Judge's Ruling Setting a Prehearing Conference concerning the Application filed October 4, 2016 ("ALJ Ruling"), the Concerned Irvine Business Coalition respectfully submits this Prehearing Conference Statement to be considered at the October 25, 2016 Prehearing Conference concerning the Application.

While the issues that cause unjust and unreasonable rates are important to the Concerned Irvine Business Coalition, its members are particularly concerned about the \$3.194 billion in capital expenditures SCE proposes to charge for its transmission and distribution system. CIBC is concerned about the rates SCE proposes to charge for claimed upgrading substation equipment and the distribution system to accommodate customer load growth. CIBC will assist the CPUC in making a close examination of SCE's forecasted costs for upgrading substation equipment and the distribution system to accommodate customer load growth to ensure that the authorized revenue requirement tied thereto is consistent with achieving just and reasonable rates.

II. STATEMENT ADDRESSING THE ALJ'S RULING

In the Administrative Law Judge's Ruling Setting Prehearing Conference dated 16 October 2016, the ALJ set forth six areas to be addressed by the parties to the proceeding. Accordingly, CIBC protestors respond to each.

SCE's Application deserves intense scrutiny of its proposed projects and costs. There is evidence that SCE has been reactionary in its planning process with respect to its Grid Modernization and Grid Reinforcement efforts. Further, SCE is doing business as usual as opposed to taking opportunities in areas where solar energy is embraced by its ratepayers to convert to solar or other sustainable energy programs, which such programs being more cost effective, thus lowering rates. The Concerned Irvine Business Coalition raises the following issues as permitted by the ALJ Ruling.

1. Procedural schedule

Given that several protests have been filed concerning the Application and several parties have been admitted to the Commission's proceeding, the Commission should re-schedule its currently scheduled Public Workshops to allow for the interested parties to review all documentation in the matter and request additional relevant documents and information from SCE as is permitted under the Commission Rules. The Commission's Work Shop concerning Grid Reinforcement and Grid Modernization as proposed in the Application is set of

October 24, 2016. Re-scheduling these issues for later in the Work Shop schedule would allow all interested parties to gather the documents and submit testimony challenging SCE's assumptions related to these programs. The Concerned Irvine Business Coalition respectfully request the Commission push back the Work Shop schedule for at least a month to provide all parties the opportunity to address SCE's proposed programs.

IBC Protestors propose the following schedule, as set forth below, with all public hearings being held at a State office within SCE's service territory:

Event	Date
Revised SCE Testimony	9 January 2017
ORA Testimony	13 February 2017
Intervenor Testimony	13 March 2017
Rebuttal Testimony	17 April 2017
Preliminary Cross Examination Estimates	25 April 2017
Joint Case Management Statement	1 May 2017
Evidentiary Hearing	15 May 2017 All hearing days will begin at 9:30 a.m. and be held at the following CPUC office (or another State office in SCE's service territory): CPUC, Commission Office 20 West 4th Street, Ste. 500 <i>Los Angeles</i> , CA 90013 Tel.: 213.576.7000 Fax: 213.576.7007
One-week recess from Evidentiary Hearing	To be determined
Evidentiary hearing ends	On or before 21 June 2017
Comparison Exhibit	29 June 2017
Opening briefs	10 July 2017
Reply briefs	24 July 2017

Update materials	31 July 2017
Update hearing	21-22 August 2017, as needed. All hearing days will begin at 9:30 a.m. and be held at the following CPUC office (or another State office in SCE's service territory): CPUC, Commission Office 20 West 4th Street, Ste. 500 Los Angeles, CA 90013 Tel.: 213.576.7000 Fax: 213.576.7007
Oral Argument Before Commission	To be determined
Proposed Decision	To be determined

2. Scope of Issues

The principal scope of this proceeding is to establish a just and reasonable base revenue requirement for SCE in test year 2018. SCE requests significant increases in revenue requirements for its generation and distribution operations, encompassing both expenses and capital expenditures. SCE justifies these requested increases for a variety of reasons. In general, all matters raised by SCE's application, or which may be reasonably inferred from the application, are within scope of this proceeding. However, parties, including CIBC protestors, raise a number of concerns about the scope of the application.

SCE's planning strategy for its Grid Reinforcement and Grid Modernization programs needs to be analyzed to ensure that (i) SCE is locating its facilities in the locations that will burden the rate payers most benefitted by the facilities, and (ii)

SCE is including sustainable energy where it makes most sense. With respect to the later issue, the City of Irvine is committed to energy conservation as is indicated by the City's "Green City" program which was endorsed by Irvine voters by passage of the Irvine Sustainable Community Initiative, Measure S in 2010. Central to the City's program is the "Energy Plan" which calls for increased use of renewable energy and reduction of greenhouse gas emissions throughout the City. The Energy Plan specifically promotes commercial use of sustainable energy.

Despite Irvine's policy toward renewable energy, SCE's projects set forth in the Application submittal show additional installation of substations throughout its service area. There appears to be a disconnect between what need for electricity exists and how SCE plans to fulfill those needs. The Commission should examine SCE's wasteful and costly planning processes as a part of its consideration to allow SCE to increase its revenue. The Concerned Irvine Business Coalition is reviewing all documents available thus far related to SCE's planning practices as they relate to its Grid Reinforcement and Grid Modernization programs. The Concerned Irvine Business Coalition plans to request additional documentation related to these issues from SCE and will submit testimony into the proceeding as soon as it has an opportunity to review the documents obtained.

In addition, IBC notes that SCE seeks to burden ratepayers with the costs of its operations and maintenance, the Service Guarantee Program, and administrative

and general costs. IBC will investigate this cost-shift through review and analysis of documents existing in the proceeding, as well as request additional supporting documentation from SCE.

As ratepayers, the Concerned Irvine Business Coalition is also interested, and will investigate and analyze, issues raised by the Office of Ratepayer Advocates, the Small Business Utility Advocates, The Utility Reform Network (“TURN”) and the National Diversity Coalition.

3. There Needs to be Evidentiary Hearings

Given the broad scope of the basis for SCE’s request for revenue increase as set forth in its Application and the scope of the Protests filed in the proceeding, it is imperative that the Commission take evidence and testimony from all interested parties. SCE’s planning practices and proposal to impose the costs of its operation and management and the Service Guarantee Program on the ratepayers is especially troubling, as noted above.

The CPUC should confirm evidentiary hearings are required. CIBC proposes the evidentiary hearings be held at an accessible location within SCE’s service territory.

4. The Category for this Proceeding

The CPUC should confirm (1) this is a rate setting proceeding, and (2) ex parte communications are subject to the reporting requirements set forth in CPUC

Rules of Practice and Procedure, Rule 8.3(c).

5. Discovery issues

The parties should be permitted to schedule a limited number of depositions. Any writing SCE submits to support its application on which the CPUC relies to make its decisions in this proceeding should be open and available to the public. All submissions should be subject to the California Public Records Act and Article 1 Sec 3 of the California Constitution. All interpretation of rules should be made in favor of disclosure, as required by Art I, Sec 3 of the California State Constitution.

6. Other Matters that the Parties Wish to Address

A. Public Participation Hearings (PPH)

The parties request the CPUC hold proceedings within the affected SCE service territory. The ALJs, in conjunction with the Commission's Public Advisor, will schedule a series of Public Participation Hearings (PPHs) in various locations in SCE's service territory.

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B. Final Oral Argument

The parties request the CPUC allow final oral argument at the conclusion of the evidentiary hearings. Pursuant to Rule 13.13(b), a final argument proceeding will be scheduled before the CPUC.

Respectfully Submitted,

Dated: 18 October 2016

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